

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 3329

March 10, 2012

**SUMMARY OF BILL:** Requires the costs of court ordered evaluations, for determining the mental health capacity of an individual charged with a misdemeanor offense, to be paid by the state.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue – Exceeds \$972,700**

**Increase State Expenditures – Exceeds \$1,232,500**

**Decrease Local Expenditures – Exceeds \$1,232,500**

Assumptions:


- Currently, the counties are responsible for the costs of forensic evaluations and treatment of criminal defendants charged with only a misdemeanor offense and for reimbursing the state for the contracted costs of outpatient evaluations performed by community providers.
- There will be a shift in expenditures from local government to the state to cover the costs of the forensic evaluations and treatment of defendants charged with a misdemeanor offense. Any increase in state expenditures will result in an equal decrease in local expenditures.
- According to the Department of Mental Health (DMH), the cost for inpatient evaluations at the regional mental health institutes is based on per diem rates pursuant to Tenn. Code Ann. § 33-2-1101. Counties can enter into cooperative agreements with the state to reimburse the state for inpatient forensic evaluations of defendants charged only with a misdemeanor at a rate which is lower than the full costs of services.
- Total billings to the counties for these evaluations were \$1,026,900 in FY09-10 and \$918,400 in FY10-11. The state will no longer be reimbursed for these costs by the counties resulting in a recurring increase in state expenditures estimated to be \$972,650  $[(\$1,026,900 + \$918,400) / 2]$ .
- According to DMH, in FY09-10 and FY10-11, there was an average of 450 forensic outpatient evaluations at the community mental health agencies that contract with the state. The state will pay for these costs instead of the counties resulting in a recurring increase in state expenditures. These evaluations resulted in costs of \$264,300 in FY09-

10 and \$255,300 in FY10-11. Therefore, the recurring increase in state expenditures is estimated to be \$259,800  $[(\$264,300 + \$255,300) / 2]$ .

- The total recurring increase in state expenditures and the total recurring decrease in local expenditures is estimated to be \$1,232,450  $(\$972,650 + \$259,800)$ .
- These costs will fluctuate from year to year depending on the number of defendants who are charged with a misdemeanor and are ordered to undergo a mental health capacity evaluation. The amount of fluctuation is unknown, but it is reasonably assumed that the average recurring increase in state expenditures, and the average recurring decrease in local expenditures, will be \$1,232,450.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise'.

Lucian D. Geise, Executive Director

/kml